

ED/EC

27 March 1952

C. J. C. S., D/A/ER

Intelligence Support for ODMS and EDAC

With reference to our conversation yesterday afternoon and my memorandum of 17 March 1952, I am attaching a draft of a letter under consideration in the Office of the Director for Mutual Security (Mr. Harriman), proposing the establishment of an Intelligence Working Group under the Economic Defense Advisory Committee. A draft memorandum setting forth the terms of reference of the Intelligence Working Group is now being prepared by the Steering Group of EDAC and should be available tomorrow.

The principal unresolved question has to do with the composition of the Working Group. State has proposed that this Group consist of representatives of State (DPI and EDS), CIA (ODR and OSO), Defense, Commerce, and ODMS (A/MDACA).

It is the opinion of D/A that the Working Group should be composed of representatives of the intelligence agencies--CIA, OIR, G-2, A-2, ONI--and the Intelligence Division of Commerce. In addition, if desired, we would interpose no objection to the inclusion of State (EDS), Defense, Commerce, and ODMS, although these latter constitute the Steering Group, to which the Intelligence Working Group would report. Because of its statutory responsibilities in the field of intelligence, CIA should furnish the chairmanship and secretariat of the Working Group.

This is an intelligence working group and, as such, should be composed primarily of representatives of the intelligence agencies. Under the State proposal, only two of the IAC agencies would be represented, and a majority of the members of the Committee would represent other than intelligence components. One of the purposes of the Working Group is to provide an expeditious clearing arrangement for current and operational intelligence support of the Economic Defense Advisory and Staff Committees and their Steering Group and working groups. If it is to serve this purpose effectively, it should consist of representatives of the intelligence agencies, each of whom would have direct lines of communication within his respective agency. Time is of the essence in operational intelligence support and will not permit unnecessary delays involved in going through intermediate layers and channels.

For some time D/A has been urging within CIA and in the several interagency committees a greater emphasis on intelligence support of current policy making and operations in the field of economic

warfare in the cold war. On January 18, I submitted informally to ODMS a draft of a proposed letter to that Office from the DCI, calling attention to the problem. The present proposals were made partly in response to that suggestion. We suggested informally the creation of a small departmental intelligence unit in ODMS, which would draw on the facilities and resources of the existing intelligence agencies. Apparently, ODMS has chosen the alternative of an Intelligence Working Group. In any event, it is urgently necessary that we make the arrangements in CIA to meet our responsibilities in this respect, as proposed in my memorandum of 17 March. A considerable amount of raw intelligence of current and operational nature in economic warfare is passing through CIA, but is not being adequately analyzed, processed, and transmitted to using agencies. Furthermore, there is need for individual commodity studies pointed to support of actions necessary in the administration of the US and international controls.

In my opinion, these deficiencies cannot be overcome under the present arrangements in ODMS.

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Draft of letter from ODMS

D/A/RR: [redacted] ph

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